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May 14, 2008

WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (D-LA), co-chair of the House of Representative's Sugar Caucus, today applauded House passage of the final conference of H.R. 2419, the *Farm, Conservation, and Energy Act of 2008*. The bill will expand food security programs, reform commodity and biofuel programs, and most importantly, renew the federal sugar policy that helps stabilize the domestic sugar market. The measure passed with a veto-proof, bi-partisan vote of 318-106.

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"Staggering production costs are forcing small farmers to consider closing their doors. Congress has responded by passing a bi-partisan Farm Bill that strongly supports our domestic farming industry, particularly sugar farmers who have been hit with slumping sugar prices. The members of the Sugar Caucus have been vocal advocates for renewing the sugar policy, and I am pleased our efforts were successful. I urge the President to sign this vital piece of legislation into law as soon as possible so that farmers in south Louisiana and across the country will be able to secure the loans they need for the coming crop year."

At the urging of Melancon and other advocates for sugar producers, Congress improved the sugar policy in several areas. The bill includes the first sugar loan rate increase in nearly 25 years. The sugar loan rate has held steady at 18-cents per raw cane pound since 1985. This measure will gradually increase that rate to 18.75 cents in 2011.

The Farm Bill also creates a sucrose-ethanol program to move surplus sugar into the ethanol sector. The program would be used only when imports oversupply the domestic market and cannot be used to clear domestic blocked stocks. Since Mexican-produced sugar has been able to enter the U.S. tariff free since Jan 1, 2008, this measure is particularly important to domestic sugar producers.

"I am pleased that this Farm Bill supports of our domestic sugar industry and invests in sugar's future. Maintaining a stable sugar market helps family farmers make ends meet in an industry so important to the heritage and economy of south Louisiana."

More than 27,000 Louisianans are employed by the state's $1.7 billion sugar industry. Stable domestic sugar production and prices are necessary for our nation's food security since sugar-containing products account for more than 70 percent of all food manufacturing in the U.S. The U.S. sugar policy has operated at no cost to taxpayers, which makes the program particularly appealing given current budget deficits.

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